



Section: Third Party Liability

6.4 Assignment of Benefits

Any time a provider bills a third party insurer, it is the responsibility of the provider to obtain assignment of benefits. The provider is required both by state law and the Medicaid program to indicate the following information on the third party claim form whether or not the charges have been paid or will be paid by Medicaid:

- The person is a Medicaid beneficiary;
- The beneficiary's Medicaid ID number;
- The bill has been paid by Medicaid or will be submitted to Medicaid.

When Medicaid assignment is accepted and the third party is also billed, the following restrictions to beneficiary liability apply:

- If the third party payment is equal to or greater than Medicaid's established fee schedule, no collection from the beneficiary or a financially responsible person can be attempted.
- If the third party payment is less than the established Medicaid fee schedule, the provider may collect from the beneficiary the lesser of these two amounts - the Medicaid co-payment or the difference in Medicaid's fee schedule and the third party payment.

In situations where the beneficiary is, due to circumstances beyond his/her control, prevented from making assignment to the provider, the provider may submit a Medicaid claim through DOM Bureau of Recovery. The claim must contain the third party information as well as an attachment of the beneficiary's signed statement giving the reason he/she is unable to assign benefits. The Bureau of Recovery will research and either instruct the fiscal agent to pay the claim or return the claim to the provider for further contact with the beneficiary.

In the event the beneficiary fails to assign benefits to the provider when it is within his/her rights to do so, the provider may choose to pursue payment from the beneficiary rather than filing with Medicaid. However, if the provider files the claim with Medicaid, he/she must not violate beneficiary liability as protected by law.

When violation of the above beneficiary liability is revealed through third party provider audits, DOM may provide for a reduction of any payment amount otherwise due the provider up to three (3) times the amount incorrectly received from the patient.